A THREE YEARS' STRUGGLE

WITH

MUNICIPAL MISRULE.

REPORT

OF

ANDREW H. GREEN,

COMPTROLLER,

IN

RESPONSE TO CERTAIN RESOLUTIONS

OF THE

BOARD OF ALDERMEN,

FEBRUARY 18, 1875.

Ex Libris

SEYMOUR DURST

FORT NEW AMSTERDAM (NEW YORK), 1651.

When you leave, please leave this book
Because it has been said
"Ever'thing comes t' him who waits
Except a loaned book."

AVERY ARCHITECTURAL AND FINE ARTS LIBRARY
GIFT OF SEYMOUR B. DURST OLD YORK LIBRARY

A THREE YEARS' STRUGGLE

WITH

MUNICIPAL MISRULE.

REPORT

OF

ANDREW H. GREEN,

COMPTROLLER,

IN

RESPONSE TO CERTAIN RESOLUTIONS

OF THE

BOARD OF ALDERMEN,

FEBRUARY 18, 1875.

OVL746 BOX 57

HJ
7287
.N55
A3
1375g

City of New York—Department of Finance,
Comptroller's Office,
February 18, 1875.

To the Honorable the Board of Aldermen of the City of New York:

In accordance with the following resolution adopted by your Honorable Body, January 14, 1875 :

Resolved, That the Comptroller be and he is hereby directed to report to this Board, within a period of thirty days, or at the next meeting of the Board thereafter, a statement in detail, showing :

1. The amount of the indebtedness of the City.

2. The amount of receipts from all sources during the past year, including the unexpended balances of former years ; the interest on unpaid taxes and assessments ; and the interest, if any, paid upon the deposits of the City.

3. The expenditures for the past year.

4. The claims in his office against the City, unadjusted.

5. The amount of the judgments obtained against the City during his term of office, with the costs taxed upon the City.

6. The amount saved to the City by litigation during the same period by decisions in its favor.

7. The amount of the bonds and stocks of the City, created by authority of the State Legislature, and not asked for or approved by the Common Council or the Board of Supervisors, and the amount approved or asked for by the corporate authorities of this City and the late County authorities, respectively.

8. The amount of unpaid taxes and assessments up to December 31, 1874, and the amount of assessment bonds outstanding at the same date ; and

9. A balance sheet showing the financial position of the City at the close of the past year.

I have the honor to report under each head of inquiry, as follows :

I.—The Amount of the Indebtedness of the City.

The bonded debt as it existed December 31, 1874, was

Funded debt, payable from Taxation and Sinking Fund	$118,241,557 24
Assessment bonds, payable wholly or in part from Assessments	20,851,000 00
Bonds payable from building lien	3,700 76
Revenue bonds of 1874	2,707,500 00
Total	$141,803,758 00
Less securities held by the Sinking Fund	26,615,778 00
Total net bonded indebtedness	$115,187,980 00

In addition to the securities held by the Sinking Fund, there was cash in the treasury to its credit for the redemption of the City debt, December 31, 1874, $208,010.01. And also bonds and mortgages applicable, when collected, to the same purpose, $710,106.67.

Schedule "A," accompanying this report, shows the full details of this debt, rate of interest, date when due, amount and name of each stock or bond.

The increase of the bonded debt in the three years, 1869, 1870, and 1871, is as follows :

The bonded debt, December 31, 1868, was	$52,205,430 80	Showing an increase of
" " 1869, was	66,040,052 22	$13,834,621 42
" " 1870, was	91,489,446 51	25,449,394 29
" " 1871, was	108,551,708 51	17,062,262 00
Gross increase from December 31, 1868, to December 31, 1871, three years, of		$56,346,277 71

The increase of the bonded debt in three years, since the accession of the present Comptroller to office, 1872, 1873, and 1874, is as follows:

The bonded debt, December 31, 1871, was....	$108,551,708 51	Showing an increase of	
" " 1872, was....	118,815,229 82		$10,263,521 31
" " 1873, was....	131,204,571 22		12,389,341 40
" " 1874, was....	141,803,758 00		10,599,186 78
Gross increase from December 31, 1871, to December 31, 1874, three years, of.....			$33,252,049 49

The old claims and liabilities existing when the present Comptroller took office, and the extraordinary demand on account of the deficiency in the State Sinking Fund, which have been paid from the proceeds of bonds, and the money since paid by him for Boulevard and other Up-town improvements, aggregate more than the whole increase of the bonded debt of the City during the present administration of the Finance Department.

It is idle to expect any diminution of the debt while officers of the government, having almost unlimited power to contract debt, are steadily urging its increase for carrying on a class of works a generation in advance of any public need for them. The Comptroller is required, by laws imperative in their character, to raise money on the credit of the City to pay the cost of carrying on these works, and he has repeatedly asked for the repeal or modification of powers under which the Department of Public Works is now, and has for three years, been expending enormous sums of money.

The remarks under this head of inquiry refer to the bonded debt; the unsettled and unliquidated floating debt will be considered under the fourth head, " Unadjusted Claims."

Besides the above-stated amount of bonded debt of the City, there is an indebtedness, as far as already ascertained, of over a million and a half dollars, consisting of the bonded debts of the late towns of West Farms, Morrisania, and Kingsbridge, lately annexed to this City.

Schedule "A" also contains a detailed statement of this bonded

debt, showing the amounts and objects of the issues of bonds of each town, and the principal which became due and was paid off by the City in 1874.

The work of ascertaining this debt has been difficult and protracted, and is not yet concluded, as many claims and accounts are uncertain and confused in their character, and the evidence of them very unsatisfactory. Before a final determination and settlement of the debts and obligations of this territory can be made, legislative enactments are required to explain doubtful provisions in the acts of annexation.

II.—The Amount of Receipts from all sources during the past Year, Including the Unexpended Balances of former Years; the Interest on Unpaid Taxes and Assessments; and the Interest, if any, paid upon the Deposits of the City.

III.—The Expenditures for the Past Year.

The operations of the Finance Department under these two heads are presented together, and the following is a general summary of the amounts of receipts and expenditures of the Treasury and of the Sinking Fund in 1874, from all sources, and the balances in cash at the beginning and end of the year:

OPERATIONS AND STATE OF THE TREASURY IN 1874.

The amount of money in the City Treasury, December 31, 1873, was	$645,105 40
The receipts into the Treasury, from all sources, during the year 1874, was	96,985,545 78
	$97,630,651 18
The amount of warrants on the Treasury, paid by the Chamberlain in 1874, was	96,146,364 56
Balance remaining in the Treasury December 31, 1874	$1,484,286 62

Schedule "B" shows the different sources of revenue for 1874, and the amount received from each, including the receipts or interest

on taxes and assessments, and the amounts of interest received upon deposits of the City moneys.

The revenues from these sources since 1870 were:

Interest on—	1870.	1871.	1872.	1873.	1874.
Taxes	$361,412 94	$530,386 47	$406,608 75	$443,555 89	$886,511 47
Assessments	128,788 46	263,750 96	173,028 38	225,537 21	658,821 79
Deposits	75,495 94	105,362 81	*	†79,992 72	118,654 95

* Nothing paid by Chamberlain Palmer.

† Nothing paid in by Chamberlain Palmer during four months.

Schedule "B" also shows the expenditures made during the year 1874, under each account to which they belong; and for items in detail reference is made to the quarterly reports rendered to the Mayor, which exhibit the name and object of every warrant drawn on the Treasury.

Schedule "B" also exhibits the appropriations for 1874, the unexpended balances of former years, the amount expended under each appropriation, and the balances remaining unexpended December 31, 1874, aggregating under each head, as follows:

Balances of appropriations for 1873 and previous years	$4,613,381 07
Appropriations for 1874	34,872,391 79
Total	$39,485,772 86
Amount expended under appropriations in 1874, for which warrants have been drawn	36,526,488 38
Balances of appropriations unexpended December 31, 1874	$2,959,284 48

In this connection it should be noted that although the appropriations of former years are not wholly expended, there is a large deficiency in the product of personal taxes, which renders the means of the Treasury inadequate to meet those appropriations.

IV.—The Claims in the Comptroller's Office Against the City Unadjusted.

Schedule "C" shows in detail the unadjusted claims in the Comptroller's office against the City of New York, as completely as the files of the office permit, without reference to the legality of the claims, and includes unsettled accounts and demands accumulated for years.

As it is made up, as asked for, to December 31, 1874, it embraces many current and unobjectionable claims which have been settled and paid since that date, as settlements and adjustments are made daily.

The following is a summary of this class of unadjusted claims, amounting in the aggregate to $6,971,149.48:

SUMMARY.

Amount of unadjusted advertising claims of 1871, and prior thereto, presented to the Board of Audit and Apportionment, but not acted upon by that Board	$896,458 64
Amount of Miscellaneous Claims against the City and County of New York, also presented to the Board of Audit and Apportionment, but not acted upon by that Board	172,866 83
Amount of unadjusted claims against the Department of Public Works	324,254 68
" " " " Docks	106,626 82
" " " " Public Parks	76,668 54
Amount of unadjusted claims against the Department of Public Charities and Correction	29,266 75
Amount of unadjusted claims against the Department of Public Instruction	42,820 02
Amount of unadjusted claims against the Fire Department	11,449 67
" " " " Health Department	1,698 78
" " " " Department of Buildings	925 00
Amount of unadjusted Miscellaneous claims against the City of New York	2,787,111 32
Amount of unadjusted claims for Taxed Costs in Street Opening cases	602,503 98
" " " Awards for Street Openings	1,746,400 34
Amount of unadjusted claims of Municipal Policemen for services between the 16th day of June, 1857, and the 10th day of April, 1860	172,098 11
Total unadjusted claims, December 31, 1874	$6,971,149 48

The old unliquidated claims have been improperly spoken of as so much City debt, whereas many of them are exorbitant or fraudulent, or wholly fictitious, and not to be considered as indebtedness of the City except, perhaps, to a comparatively limited amount. Continued and determined resistance to them by the accounting and law officers of the City will protect the Treasury and greatly lessen disbursements on their account.

The Comptroller would not recognize many of them, even by stating them, were it not that the Mayor and the Board of Aldermen seem to desire that they should be recapitulated and stated in detail. The effect of the schedule herewith submitted may be to stimulate and incite claimants to renewed attacks upon the Treasury, and more strenuous efforts in behalf of their schemes. The Comptroller protests against this recital of them being tortured or twisted into any, even the faintest, recognition of their validity.

The debt-contracting power was, under the late regime, exercised indiscriminately by all branches of the City and County Government. Little or no regard was paid to the positive prohibitory provisions against expenditures in excess of authorized appropriations, and the natural result was an annual spawning of a mass of illegal claims, to be settled as best they might. Nearly every Department had its own Treasury, paid such bills as it chose, and acted without restraint, responsibility, or accountability. Annual expenses increased enormously, floating debt accumulated, and all kinds of obligations were increased, which now exist in the form of unadjusted claims. The following list of Departments, Boards, Commissioners, and branches of the City and County Government which incurred expense and contracted debt, strikingly shows the extent and capacity of the debt-contracting power. How effectively and disastrously its energies were put at work, is shown by the magnitude of the unsettled claims left by them :

1. The Board of Supervisors.
2. The Common Council.

3. The Police Department.

4. The Finance Department.

5. The Department of Public Works.

6. The Department of Public Charities and Correction.

7. The Fire Department.

8. The Health Department.

9. The Department of Public Parks.

10. The Department of Buildings.

11. The Department of Docks.

12. The Department of Public Instruction.

13 to 34. Each of the twenty-two Ward Boards of Trustees and Inspectors of Schools.

35. The Department of Taxes and Assessments.

36. The Commission for erecting New County Court-house.

37. The Commission for erecting the Third District Court-house.

38. The Commission for erecting the Ninth District Court-house.

39. The Commission for erecting the Eighteenth Ward Market.

40. The Street Cleaning Commission.

41 to 80. Forty Commissions for Opening Streets.

In all eighty separate and distinct Boards or Departments.

Expenses were incurred and claims manufactured by these various authorities often without proper restraints.

Orderly official records of obligations incurred by them do not exist. In some cases no record whatever exists. The changes that have occurred in the *personnel* of these bodies in the last three years make it exceedingly difficult, if not impossible, to trace the extent of the debts they have created. Many of those who administered public affairs three years ago have absconded from the country, while others are reluctant to state their operations for fear of involving themselves or their allies. Claims for services or supplies which were probably

never performed or furnished, are often presented without the slightest evidence of their validity, or bearing only a semi-official authentication, by some suspected or untrustworthy officer.

The Finance Department for the last three years has been constantly embarrassed by want of official co-operation in the adjustment of claims against the City, and a vast amount of labor has consequently been imposed upon it.

The general character of hundreds of claims with which the Finance Department has to deal may be illustrated by a brief reference to a few examples:

1. Claim amounting with interest to nearly $1,000,000, for water-meters, not used, but alleged to have been furnished to the City under a special contract with William M. Tweed, Commissioner of Public Works, at most exorbitant rates. It is but a fragment of a scheme comprehending certain public and private persons, which was to eventuate in furnishing water-meters all over the City, for which the City was primarily to pay, and take its chances to collect back from tenants and owners. The legislation was obtained in 1871, upon which to found this monstrous job, and still remains upon the Statute book. A suit is now pending to recover this claim.

2. Claims of Edmund Jones and William C. Rogers & Co., amounting to $1,125,610.27, for printing and stationery, said to have been furnished in 1868, 1869, 1870 and 1871. During the same period, the same parties were paid nearly one million dollars for the same kind of supplies. This claim, with the amount already paid to the same parties, would make more than two million dollars. Others also supplied stationery at the same time.

These parties are prosecuting these claims also.

3. Charles Devlin, assignee of John McCauley, for constructing sewer in Seventh avenue, amounting to $112,000, arose under a special contract made with the present Department of Public Works at exorbitant prices.

4. Charles Devlin and others, for unearned or prospective profits on the old Hackley street cleaning contract, amounting to $800,000. Judgment was obtained against the City on this claim in July, 1873, for nearly half a million dollars, after nine years' litigation. An appeal was taken, and special counsel employed to defend the rights of the City, and in January, 1875, the judgment of the Court below was reversed and set aside at General Term, and judgment absolute rendered in favor of the City with costs.

5. The claim of John H. Starin, Assignee of William McKeag, amounting to $453,800, for alleged services as lawyer in prosecuting suits for violation of the Excise Laws, between the years 1857 and 1871. This claim is one of a large class dating back for twenty or more years.

6. Claim of J. G. Bennett for advertising, alleged to have been done in the New York *Herald* and *Telegram*, originally amounting to more than $72,000. This claim came up for payment. On examination it was found to be overcharged and subject to large deductions, a particularly flagrant item being a charge of $18,398 for printing one of Mayor Hall's messages. This was published as reading matter, and perused by the public as news, but was really charged for as advertising at one dollar a line. The highest ordinary rate of the *Herald* for advertising was forty cents per line.

The bills were accordingly reduced from the original figures to about $47,000, and the allowance was promptly accepted by Bennett, and a receipt in full given. Six months after this settlement and receipt in full, Bennett is found in the Courts, claiming that the payment for which he had receipted in full was only on account, and demanding payment of the balance.

7. Claim of James Walker Fowler, Justice of the Third Judicial District Court. Although the charter expressly regulates and fixes the compensation of the justices of those Courts at $8,000 per annum, in

payment of which a monthly warrant is regularly drawn, Fowler claims a salary of $10,000, under an old repealed provision of law, and has brought several suits against the City.

Certain transactions of Mr. Fowler, when he was in the employ of the Surrogate, were successfully interposed in one Court in one proceeding for his salary, but another Court ruled them out.

Another class of claims, though each small in amount, and dating back many years, is so great in number as to form a large total, such as the demands of political partisans and strikers, claiming to have been employed as attendants and officers of the courts, and incumbents of various sinecure places, as inspectors, market-sweepers, axe-men, lamp-painters, water-police, court janitors, and other places invented to reward inferior political ward-operators.

There are to-day three janitors in one court-building in this City, each claiming his appointment from a different source, and each claiming his pay from the City. One person is entirely sufficient to perform the service. This is what is called patronage.

Under the British Government offices have not unfrequently been constituted, and certain privileges, fees, and emoluments attached thereto, as a reward for distinguished civil and military service. The beneficiaries of these offices often become distinguished personages in the State, enjoying their dignities and receiving the revenues, as it were, in lieu of a pension. In the course of centuries, questions arose in the courts as to their right to these emoluments, and the principle was laid down, that the holder of an office of this character need not render any contemporaneous service whatever. He had already rendered the service, and was entitled to the reward.

In these latter times, and in this City, it appears that the wide distinction in the circumstances has not been sufficiently recognized, the English precedents have been drawn into the support of the principle that an officer or place-holder is entitled to the salary while he holds

the place, whether he renders any service or not; and this rule has been applied to the pettiest places about the City Government, and has sustained and upheld sinecures on a principle that has no applicability.

It is difficult for jurors to see why they should, at the direction of a court, give a verdict against the City to a scavenger, or janitor or court attendant, or record translator, who has done no service, simply because some pensioner, a century or more since, could hold a sinecure under the British Crown, as a reward for high services rendered.

Section 97 of the Charter of 1873 provides that—

"The salaries of all officers paid from the City Treasury * * * * shall be fixed by the Board of Apportionment."

Under this provision the salaries of the janitors of Court, of whom there are fifteen or more, were reduced by the Board of Apportionment, when Mayor Havemeyer was a member, from $1,500 to $1,200 per annum, and the Comptroller paid that amount. Shortly after, however, suits were commenced to recover the difference of $300 per annum. The Courts gave judgment in favor of the janitors, on the ground that they were not *officers*, and therefore the Board of Apportionment could not fix their salaries.

Who that knows the history of this legislation, and the inequalities of salaries existing in the City, can doubt that the word "officers," as used in the Charter by its inartificial draughtsmen, meant "employees?" It has become as much the popular habit to call a janitor or a court attendant an "officer," as it is to designate the Mayor of the City by that title.

Schedule "C" also contains a statement of claims for the taxed costs in street-opening cases, which amount in the aggregate to $602,503.98. The following are the names of some of the persons

representing this class of claims, which are so grossly disproportionate to the alleged services rendered, viz.:

Names of Parties.	Amount paid during years 1868–1872.	Amount now claimed.	Total paid for 1868–1872, and now claimed.
George H. Purser.....	$132,058 50	$131,919 05	$263,977 55
Edward Boyle.....	7,789 19	14,474 06	302,263 25
John A. Bagley.....	81,723 56	202,115 26	283,838 82
Michaels & Melendy.....	67,426 68	11,612 78	79,039 46
John Scott.....	18,155 14	4,000 00	22,155 14
Hugh Smith.....	26,420 00	10,000 00	36,420 00
James M. Sweeny.....	10,080 00	10,000 00	20,080 00
W. C. Rogers & Co.....	51,592 50	23,461 86	75,054 36
J. Walker Fowler.....	.....	1,570 00	1,570 00

The immense charges formerly put upon the City and property-holders, by extravagant "Taxed Costs," in street-opening cases, has been greatly reduced in recent proceedings through the opposition interposed to their payment; still further reduction should, however, be effected. The Comptroller is of the opinion that the requirements of the Law of 1862, framed for the reduction of these expenses, are rarely complied with.

In the same schedule are found claims for Ring advertising yet unadjusted, and aggregating $896,458.64.

Prominent among these is the advertising claim presented by the *Commercial Advertiser* newspaper for $89,147.80. An examination of this claim developed the fact that of this amount more than $35,000 had been previously paid to, and receipts taken from, Mr. Hugh J. Hastings. Certain overcharges were also discovered, amounting to $36,000, and items for which no authority existed, amounting to $3,500, reducing the amount originally claimed from $89,147.80 to about $13,000. This is another of the claims on which suit has been commenced.

The notorious M. L. Hankin's claim, for alleged advertising in three obscure papers, comes next in order. These papers were almost unknown and without circulation. The claims amount to upwards of $365,000, and are believed to have no merit whatever.

No claims, perhaps, were, as a class, more audaciously fraudulent and disgraceful than those for newspaper advertising during the Ring administration. The "Transcript Association" alone was paid $783,498.09, and an unadjusted claim of this concern is now presented for $186,160.20.

The moneys actually paid for advertising during the three years, 1869, 1870, and 1871, were.....	$2,586,477 00
Total outlay for the three years following that period, 1872, 1873, and 1874, including the cost of the CITY RECORD, is.....	212,438 37
Showing a decrease in this class of expenditures during the present Comptroller's administration of.....	$2,374,038 63

—being a reduction or saving of over ninety-one per cent.

In the same schedule are also included seventy-four claims of Mayor Fernando Wood's municipal policemen, who were involved in the contest in 1857 between him and the Board of Police Commissioners, amounting in all to $172,098.11 for their salaries for three years from 1857 to 1860.

No service was ever rendered by them during this period; how many other policemen are behind, waiting the result of these claims, the Comptroller is unable to state.

The same schedule embraces a portion of the claims for "Rents of Armories," many of them under leases made by the Ring Board of Supervisors at exorbitant rentals. The rents reserved in these leases for the whole term amount to nearly two million dollars. The claims under them have been resisted by the Comptroller as invalid, as in the case of Glass Hall, on which suit was brought; the ground taken by him has been sustained by a decision of the Supreme Court in favor of the City. The Glass Hall lease was made by the Board of Supervisors in December, 1872, at an extravagant rent, and as it was not needed,

the building was never occupied. The rent was $10,000 per annum, with taxes, while it was not worth half that amount.

In the schedule of unadjusted claims is included a statement of awards in various street-opening proceedings, amounting to $1,746,400.34, the main portion being for opening and widening Kingsbridge Road, recently filed in this Department, and although in many cases these are believed to be extravagant in amount, having been confirmed by the Supreme Court, their payment must be provided for.

On December 31, 1874, there remained in the hands of the City Chamberlain moneys deposited with him for the payment of interest due on stocks and bonds, which had not been called for, amounting to $73,487.08.

There are heavy City liabilities on account of a large number of pending contracts for street improvements, supplies, etc., to the various Departments. A list of contracts of the Corporation, filed in the Department of Finance during the year 1874, with statements of payments made thereon up to December 31, 1874, is in course of preparation, and will be submitted to the Board of Aldermen, as required by ordinance, as soon as completed.

Testimony taken before the Commission on Contracts, in 1872, indicates how the passage of ordinances of the Common Council, authorizing wooden pavements, etc., was formerly obtained. One witness testified that, as he desired to procure certain contracts for the paving of streets, he had paid $60,000 to a person who claimed to have influence with the Common Council, and could secure the passage of the necessary ordinances. Persistent efforts were made in the Legislature to confirm these ordinances, and saddle millions upon the City for worthless wooden pavements, which were defeated only by the most determined resistance.

Previous to the accession of the present Comptroller to office, advances had been made from the Treasury of more than seven hundred thousand dollars for the erection and completion of the New Court-house-building, which amount of over-drafts is regarded in the

nature of a claim, to be reimbursed to the Treasurer by the issue of stock forming a part of the permanent debt.

Under resolutions formerly passed by the Common Council, donating to various institutions, principally to churches, the amounts for which they were assessed on local improvements, large arrears of assessments have not been paid, and will, therefore, constitute claims against the City.

It is proper to remark that many existing claims, even though they may have some degree of equity, cannot be paid by the Comptroller, for various reasons. A large number belong to that class of old claims incurred by the Departments when expenditures were made in excess of appropriations, and the Comptroller is forbidden, by express provision of law, from recognizing their legality.

A clamor against the Finance Department has been gotten up by holders of fraudulent claims and fostered by certain unprincipled newspapers, on the charge of delay in the adjustment and payment of bills incurred by the various City Departments. This is without just cause as respects the great bulk of the immense number of accounts and vouchers audited by the Finance Department.

Their average time during 1874, for passing through the Department from the date of receipt to the date of payment, including all classes of claims and liabilities for contracts and supplies, is less than four days.

Doubtless there are occasionally just claims, for which no legal provision has been made, that are delayed, but the general fact is indisputable, that claims that are delayed are generally those the merits and justice of which are not readily ascertainable.

It must not be supposed that no efforts have been made to dispose of old claims without intervention of the courts. More than four millions of dollars in amount have been adjusted in the Finance Department and paid. Where the claimant refuses to accept the adjustment proposed, the Comptroller is unable to compel him to do so, and delay and possibly suit occurs.

The City of New York is no exception to other governmental agen-

cies in respect to unsatisfied claimants. In all governments, claimants are sometimes compelled, however equitable their claim may be, to wait till the necessary legislation is obtained to authorize the paying officers to recognize their demands. This is a necessary incident to the existence of society. It is not always possible to foresee the future needs of a community, and exceptional cases of delay will naturally occur; but of course these should be reduced to the minimum.

The current claims for which value has been given to the city, are and have been recognized and promptly liquidated. The other class of claims for which no value has been given, which were conceived in the lobby and are held and promoted by that disreputable class, who are enabled by craft and cunning to live without labor, out of the earnings of honest and industrious men, have no foundation either in justice or in equity. The courts ought to find some ground for discrimination against them, and every agency of the government should be prompt to intercept their progress to the door of the treasury and to frustrate and defeat them.

Why should the taxpayers of this City, and by the taxpayers I do not refer alone to that class to whom the payment of a thousand dollars, more or less, involves no diminution of comforts, but especially to those less favored, who in these times of depression find it difficult to keep the wolf from the door, and to maintain a roof over the head of their families—why should these have their frugal earnings diminished to pay a monstrous class of fraudulent claims, for which no value has been given, and which are principally held by public leeches, who have never done an honest day's work in their lives?

Why should the industrious mechanic, or poor widow, engaged in a constant struggle for the means of existence, be called upon to pay an increase of taxes in order that a Purser, or a Palmer, or a Hastings, or a Sweeny, or a Boyle, or a Bennett may thrive upon moneys drawn without adequate consideration from the Public Treasury?

There are men among us who are now marshalling the influence, the ingenuity and the greed of attorneys, lobbyists, and journalists, to get from the Treasury, on single claims, without value rendered, amounts

that, if distributed for honest service, would, in these pinching times, gladden the hearts of a whole community.

Is there, in the whole machinery of justice, no process by which such wrongs can be prevented? Must the whole train of precedents be harnessed to the service of the idle, the crafty, and the depraved against the frugal and industrious.

In my official action I shall not cease to recognize the rights of those who have rendered a fair equivalent for the amount they seek to obtain, and every energy that I possess shall be exercised to defend the trust which I have been set to protect against depredators, whether in the garb of seeming respectability, or that of corrupt or dishonest conspirators.

V.—The Amount of the Judgments obtained against the City during his term of Office, with the costs taxed upon the City.

From September 16, 1871, when the present Comptroller took office, to December 31, 1874, a period of more than three and a quarter years, the total number of judgments obtained against the City, including costs taxed upon the City, was 844, including 272 for vacating assessments, amounting to $1,935,389.04, in which sum was included for costs, $63,082.28.

Five hundred and seventy of these judgments, amounting (including costs, $45,831.97) to	$1,371,380 73
Or about two-thirds of the whole in number obtained, and more than one-half in amount are on causes of action originating prior to the present Comptroller's accession to office.	
Forty-three of them are for salaries of Supervisors in addition to their salaries as Aldermen, amounting to	13,987 82
Fifty-six are for wages of Boulevard men, supposed to have been illegally employed, amounting to	8,819 18
One hundred and seventy-five are miscellaneous, amounting to	541,201 31
Total	$1,935,389 04

Judgments obtained in favor of the City are not included in these amounts.

The character of some of the above judgments will be seen by the following explanations :

The forty-three judgments for salaries of Supervisors, in addition to their salaries as Aldermen, were given, notwithstanding an express prohibitory provision of law to the contrary.

The Charter of 1873, section 4, provides that "the Aldermen shall, "from the time of the passage of this act, be the Supervisors of the "County of New York."

Section 114, of the same instrument, provides that "no person shall "hold two City or County offices except as expressly provided in this "act, nor shall any officer under the City Government hold or retain "an office under the County Government, except when he holds such "office *ex-officio* by virtue of an act of the Legislature ; and in such "case he shall draw no salary for such *ex-officio* office."

No appropriation was made by the Board of Apportionment to meet this class of expenditures, because of the above prohibitory provisions of law ; yet forty-three judgments have been obtained.

We look in vain among the recipients of double salaries as Aldermen and Supervisors for the respected name of Oswald Ottendorfer. He alone of the Board of which he was a member denounced the receiving of double salaries as illegal and wrong.

Judgments were given against the City of over $100,000, for paving New Church street and South Fifth avenue with a patent stone-block pavement. These works were done under special contracts, made by the Department of Public Works with one Charles Guidet, and at the exorbitant price of $6 per square yard.

A bid for laying similar pavement in Newark was made by the same Guidet, at $4.07 per square yard, and that work was awarded to another party, at $2.87 per square yard.

A judgment was also given of more than $130,000 on the contract for paving Seventh avenue with a wooden pavement in 1870, made by

William M. Tweed, Commissioner of Public Works, with Joseph A. Monheimer, late Alderman.

The whole amount paid for this scandalous job was $433,000. Its character is evidenced by the present utter worthlessness of the pavement. The City has been enjoined from collecting the assessments, and the whole expense is thrown upon the tax-payers at large.

Can tax-payers and property-holders afford to pay a half million dollars for a pavement that is rotted out in less than three years? A fair pavement ought to last for a generation; there are now in this City pavements in good condition laid over fifty years ago.

Another judgment of $366,926.80 was obtained by the Manhattan Gas-light Company, for supply of gas in the year 1871, at prices which were exorbitant. The Court allowed $45, instead of $53 per lamp, the amount charged, thus saving the City the sum of $63,000.

It is quite natural that the shareholders in those gas companies, who have been in the habit of receiving from 30 to 50 per cent. per annum in dividends, should consider the Comptroller an obstructionist. I presume, however, tax-payers will not object to that sort of obstruction which has effected a reduction in the cost of lighting the streets of the City, as shown by the following comparison of prices charged per lamp per annum, in 1871 and 1874:

Company.	1871.	1874.	Number of Lamps.
Manhattan Gas-light Company.....	$53 00	$33 00	6,561
New York " "	45 00	33 00	3,010
Metropolitan " "	53 00	39 00	3,488
Harlem " "	53 00	39 00	4,025
N. Y. Mutual " "	.....	35 00	583

In 1871 the cost of gas was about $1,000,000, and in 1874 the saving was more than one-third of that amount.

It will be seen that the great bulk of judgments against the City

obtained since the present Comptroller took office originated in transactions which took place before that time, in an era of unexampled official corruption and reckless extravagance. They grew out of laws framed by conspirators and public plunderers in their own interest. These claims very generally bore the badge of fraud and official malversation, but being apparently contracted under some color of law, they have, under the faintest pretext and technicalities, often without equity and justice, been pressed upon Courts under the prevailing influences of the hour, to the detriment of the City Treasury, whose protectors are but few.

Laws framed to promote private interest at the public expense still remain on the Statute book, giving rise to unjust claims against the City, for which no monetary provision is made. The claimants, and their attorneys practised in the art, knowing that their claims cannot be paid until put in the form of a compulsory judgment, readily resort to this favorite method.

But the fact remains to be stated, that notwithstanding the bulk of rotten claims precipitated upon the Comptroller from a previous regime, the amount of judgments obtained against the City during his administration is less by one-third than it was during the previous three years. The amount of judgments and costs against the City for three years prior to September 16, 1871, was $3,221,821.95. Amount for same period since September 16, 1871, was $1,935,389.04.

VI.—The Amount saved to the City by Litigation during the same period by decisions in its favor.

The judgments obtained against the City within the last three years were, as has been stated, very generally based on claims of fraudulent or extravagant character; it therefore became the duty of the Comptroller to resist such as were not clearly exempt from any objections of this sort. The courts of this City are maintained out of the public treasury, at the cost of more than one million of dollars per annum. They are furnished with criers, clerks, attendants, juries, and all the means of ascertaining the truth; they can summon witnesses and

punish them for false testimony. The City is provided with a Law Department, having a retinue of counsel, clerks, and assistants, maintained at a cost of nearly two hundred thousand dollars per annum. Cases against the City are by law given a preference before all other cases, and are speedily reached. What is all this machinery of courts and lawyers paid by the City for, unless it be to act in just such emergencies as have arisen? It is the business of the courts to examine and determine upon the legality of these claims. That is what they are constituted for.

In suits decided in favor of the City since September 16, 1871, either the Court decided against the whole claim, or reduced it, or the suit has been discontinued and abandoned. In some instances an appeal from the decision has been taken. The whole amount of saving in these suits thus far is $2,456,632.28. If the Comptroller had possessed the power to adjust and pay old and doubtful claims, and the same appliances to ascertain the truth, fewer of these claims would have found their way to the courts, to the corresponding advantage of the treasury. It is proper to add in this connection, that besides the saving to the City by litigation, the amount saved by reductions and abatements since September 16, 1871, on claims that were adjusted in the Finance Department without the intervention of the courts, is $856,912.87.

The following statement shows the total saving effected during the administration of the Comptroller to December 31, 1874:

On suits thus far decided in favor of the City	$2,456,632 28
On claims adjusted in the Department	856,912 87
Total savings	$3,313,545 15

Besides this, these litigations have often, on a claim of small amount, determined principles that will defeat similar claims to a large amount. Such advantages and savings are not included in the above figures.

The Courts decided against one newspaper claim of about $3,000 in favor of the City, and with this decision fell claims for more than three

hundred thousand dollars of similar character. In one suit, in an armory lease, involving $15,000, the decision in favor of the City will, if sustained in the higher courts, carry a million and a half of dollars of this class of rents.

All legal actions to which the City is a party are conducted by the Law Department, and upon the Corporation Counsel rests the responsibility of prosecuting or defending them. In those cases where, at the Comptroller's instance, special counsel have been retained, every case which has been decided has had a successful issue.

VII.—The Amount of the Bonds and Stocks of the City created by Authority of the State Legislature and not Asked for, or Approved by the Common Council or the Board of Supervisors, and the Amount Approved or Asked for by the Corporate Authorities of this City and the late County Authorities, respectively.

1. Bonds and stocks issued by authority of the Legislature, and approved by the Common Council of the City of New York, amounting to	$38,777,026 00
2. Bonds and stocks issued by authority of the Legislature, and approved by the Board of Supervisors of the County of New York, amounting to	18,124,304 46
3. Bonds and stocks issued by authority of the Legislature, and not asked for or approved by the Common Council or Board of Supervisors of the City and County of New York, amounting to	84,902,427 54
	$141,803,758 00

Schedule "D" presents detailed statements of the issues of stocks and bonds which have been made under the three kinds of authority above distinguished.

Prior to 1864, all stocks and bonds were issued by authority of the Common Council or the Board of Supervisors under acts of the Legislature passed upon the application of the Corporate authorities.

This practice was discontinued at that date, and the power to issue stocks and bonds was conferred by the Legislature upon the Comptroller, subject to the requisition of officers of Boards and Departments having various public works in charge. The reason for this deviation from the former practice appears to have been that, when the power to authorize the issue of stocks and bonds was given to the Common Council, members of that body often refused to comply with the law, and occasioned delays in the issues necessary to carry on improvements until the officers charged with their execution would give these members appointments or otherwise satisfy their demands. This practice caused so much embarrassment that a remedy was sought at the hands of the Legislature, and authority obtained for a single officer to issue stocks and bonds, instead of calling into requisition a multitudinous Common Council. Neither the Common Council nor the Comptroller can now issue stocks or bonds without authority from the Legislature, but no authority to issue bonds on the credit of the City should be granted by the Legislature unless specifically asked for by the officers of the City, and this authority once obtained, under proper amendments, the fewer intermediate parties there are to be consulted the better for the public interests.

The local authority which now takes the place of the Common Council in authorizing the issue of bonds from time to time, as needed, is the Board of Estimate and Apportionment. This Board has been established by a number of recent enactments in and since 1871, and acts in the issue of stocks and bonds authorized by the Legislature. There has been, and there is now, a lack of system in this matter, opening the door to the mischievous practice of heads of Departments, and other public officers, taking a direct and active part in lobbying through the Legislature special acts of authority to issue stocks or bonds, to be applied to purposes in which they were personally interested, without any consultation with the Financial Department or Common Council.

VIII.—The Amount of Unpaid Taxes and Assessments up to December 31, 1874, and the Amount of Assessment Bonds Outstanding at the Same Date.

Schedule "E" exhibits a yearly statement of taxes on real and personal estate, remaining unpaid on December 31, 1874, from the year 1841, thirty-four years, amounting in the aggregate as follows:

Unpaid Taxes on Real Estate prior to and including 1873.....	$4,023,036 38
" " Personal Estate prior to and including 1873.....	9,644,913 64
" " Real and Personal, 1874.....	6,178,874 71
Total.....	$19,846,824 73

The unpaid taxes on real estate are a lien on the property assessed, and will be, in the main, ultimately collected.

Sales of property have been made for unpaid taxes down to the year 1870, but there are many items of taxes unpaid in former years, which, for various reasons, have not been included in the sales for taxes, and still appear on the records as unpaid. A very large amount of personal taxes remaining unpaid will, however, be lost to the City, as the parties against whom they stand cannot be found, or have no property whatever. It will be seen, by reference to said Schedule "E," that the deficiencies in the product of personal taxes have increased immensely within a few years past. There are defects in the mode of assessing personal taxes which should be corrected to obviate this very serious evil.

Chapter 293, Laws of 1861, provided that "it shall be the duty of "the Board of Supervisors to include in any and every ordinance or "resolution passed by them imposing and levying taxes for any purpose "or purposes authorized by law, within the City and County of New "York, such sum, in addition to the aggregate amount required for "such purposes, as they shall deem necessary, not exceeding three per "cent. of said aggregate amount, to provide for deficiencies in the "actual product of the amount imposed and levied therefor."

Under the operation of this provision "the deficiencies in the "actual product" were fully met and provided for by the sums added

annually by the Board of Supervisors, up to and including the year 1870; but under the fraudulent and deceptive "Ring" tax levy imposed by the Legislature in chapter 583, Laws of 1871, by which the amount of taxes levied was limited to two per cent. on the valuations, it was construed as repealing this deficiency provision and, therefore, that no authority of law existed to provide for deficiencies in the product in the years 1871 and 1872; and the actual deficiency from unpaid taxes alone in those two years amount to upwards of two millions and a half dollars.

Chapter 756, Laws of 1873, re-enacted the same provision as the Act of 1861, making it the duty of the Board of Supervisors to add such a sum, not exceeding three per cent. of the aggregate amount required; and in 1873 the sum of $807,502.80, or nearly three per cent., was added; but the unpaid personal taxes of that year alone amounted to $1,108,770.87.

The Board of Supervisors of last year (1874), against the wish of the Comptroller, added only $490,425.13, or only about one-half of the three per cent., for deficiency allowed by law, and which should have been added, thus failing to provide for the actual deficiency in the product of the Tax Levy which obviously would occur for that year. Such a course of action might deceive the public by lowering the rate of taxation, but it also causes a deficiency which must be met by an increase of the public debt, or by future taxation.

Schedule "E" exhibits a statement of unpaid assessments on property benefited by local improvements, with the years in which they are respectively confirmed. The total amount remaining unpaid December 31, 1874, is as follows:

	Bureau of Collection of Assessments.	Bureau of Arrears.	Total.
Assessment Fund — Opening Streets, Parks, etc.....	$402,745 00	$2,287,051 64	$2,686,796 64
Street Improvement Fund— Regulating, grading, etc...	2,092,876 04	2,823,827 67	4,916,703 71
Total.....	$2,495,621 04	$5,110,879 31	$7,606,500 35

Sales of property have been made for arrears of assessments confirmed by the Supreme Court, up to and including the year 1870, and a list of property for street improvements up to the same date is now in course of preparation. Three years, in cases of assessments and taxes, must elapse before collections can be enforced by sale.

The amount of assessment bonds outstanding December 31, 1874, as will be seen under the proper head, is $20,851,000. This class of debt should be strictly limited, as I have constantly recommended, by some provision of law, fixing a maximum of issues of assessment bonds. If no limit be set to their issue, there will be no limit to wasteful and extravagant expenditures for unnecessary and costly local improvements.

The outstanding assessment bonds are represented by the following items :

Advances to contractors	$5,712,739 21
Advances on boulevard work	7,531,477 42
Uncollected assessments	7,606,500 35
Total	$20,850,726 98

Schedule "F" exhibits the balance sheet of the General Ledger of the Finance Department, at the end of the year 1874.

In the summer of 1871 the credit of the City received a severe shock by the exposure of the enormous frauds committed on the treasury by the notorious officials then in power. Capitalists were justly alarmed, and City securities were seriously depressed. Confidence has since been wholly restored, the credit of the City is now unimpaired, and its securities, which are rated at a high premium, are sought after for investment by the most prudent capitalists and trust institutions.

During the present Comptroller's administration the entire *personnel* of the City Government has been changed, in some Departments more than once, and another change has actually commenced. Inexperienced men have come into office, who have to pass through the process of educating themselves for their duties; it is erroneous to suppose that important public trusts can be either intelligently or efficiently administered by new officials without experience in the business they are called upon to manage.

The average politician makes but a poor administrator of responsible affairs, and the public interest must correspondingly suffer. Such persons are not apt to be very careful accountants or rigid economists, and it is no small task for the Finance Department to bring them to consent to necessary and methodical systems of business.

During the same period a new Charter, with entirely novel powers, has come into operation, underlying and affecting every transaction of the government.

The business of the City, conducted by very many agents, has had to be adjusted and systematized, as rapidly as was practicable, according to its provisions.

Again, an act of annexation has been passed, nearly doubling the City territory and raising innumerable causes of complication.

To crown all, amendments have been added to the Constitution of the State, which have created numberless questions respecting appropriations and the payment of moneys.

These changes and complications in the City government have immensely increased the responsibilities and labors of the Finance Department, without corresponding recognition and provision to meet them.

Although the time for the preparation of the mass of statistics presented with this report has been very short, yet I have, I believe, given all, and perhaps more than all, the information that was asked. It is

but a brief epitome of an earnest struggle of more than three years of official life, to bring the affairs of this community, so sadly astray, back to better ways.

To the completion of the work, which I am aware is but partially accomplished, I shall welcome the aid of any agencies, whose object is singly and honestly to bring about results that the better portion of this community will approve.

Respectfully submitted,

AND. H. GREEN,

Comptroller.